

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: September 16, 2014**  
***Request for Amendment to Initial Resolution***

Prepared by: *Deanna Hamelin*

<b>Applicant:</b>	Blue Line Transfer, Inc. and/or its Affiliates	<b>Amount Requested:</b>	\$17,570,000
<b>Project</b>	South San Francisco	<b>Application No.:</b>	864 (SB)
<b>Location:</b>	(San Mateo County)	<b>Initial Resolution No.:</b>	12-10
		<b>Prior Actions:</b>	IR approved 10/16/2012

**Summary.** Blue Line Transfer, Inc. and/or its Affiliates (the “Company”) requests an amendment to Initial Resolution 12-10 to increase the dollar amount to an amount not to exceed \$17,570,000 to reflect increased project costs. In addition, the Company would like to extend the expiration date of the Initial Resolution from October 16, 2015 to September 16, 2017.

At the October 16, 2012 California Pollution Control Financing Authority (CPCFA) Board Meeting, Initial Resolution 12-10 was approved for Blue Line Transfer, Inc. for an amount not to exceed \$10,165,000. The amount has increased to reflect the cost overruns of the anaerobic digester portion of the project.

**Borrower.** The Company offers refuse disposal and recycling services in South San Francisco. The Company was incorporated on July 16, 1970 and has approximately 120 employees.

The principal stockholders of the Company are as follows:

Michael Achiro	12.50%
Edward Bortoli	12.50%
Douglas Button	12.50%
Paul Formosa	12.50%
Ron Fornesi	12.50%
Vincent Fornesi	12.50%
Jerry Nabhan	12.50%
John Rossi, Jr.	12.50%
<b>Total:</b>	<b><u>100.00%</u></b>

**Legal Questionnaire.** The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed in the Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

**Project Description.** The Company plans to construct and equip an anaerobic digester to convert food waste and the green waste portion of municipal solid waste to bio methane gas to fuel its existing CNG collection vehicles. In addition, the Company will install approximately 25,000 square feet of solar panels on the office and digester buildings. It is anticipated that the installation of the solar panels will offset the facility’s electrical load by 30-35%. The Company

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will also purchase additional rolling stock, containers, and MRF equipment associated with the collection, processing, and transfer of solid waste.

The Company is in the process of pursuing Leadership in Energy and Environmental Design (LEED) certification and will make improvements to its roof, office, computer systems and landscaping as part of the LEED certification process. Additionally, the Company is in the process of acquiring an additional 70,000 square foot site for container storage and parking of vehicles.

**Volume Cap Allocation.** The Company anticipates applying to the Authority for volume cap allocation during the 4<sup>th</sup> quarter of 2014.

**Financing Details.** The Company anticipates the issuance of negotiated tax exempt bonds.

**Financing Team.**

**Underwriter:** Westhoff, Cone & Holmstedt

**Bond Counsel:** Law Offices of Leslie M. Lava

**Issuer's Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of an amendment to Initial Resolution No. 12-10 for Blue Line Transfer, Inc. and/or its Affiliates for an amount not to exceed \$17,570,000.

*Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.*

**Initial Resolution No. 12-10  
Application No. 864(SB)**

**AMENDMENT OF INITIAL RESOLUTION TO ISSUE BONDS  
TO FINANCE SOLID WASTE DISPOSAL/RECYCLING FACILITIES FOR  
BLUE LINE TRANSFER, INC. AND/OR ITS AFFILIATES**

**September 16, 2014**

**WHEREAS**, the California Pollution Control Financing Authority (“Authority”) by its Resolution No. 12-10 (“Initial Resolution”) has heretofore declared the Authority’s official intent to issue revenue bonds for the financing of solid waste disposal/recycling facilities to be owned and operated by Blue Line Transfer, Inc., a California corporation, and/or its Affiliates (as defined therein) (collectively, “Company”), which financing was expected to be comprised of (i) the construction of an anaerobic digester and CNG fueling station and the construction of improvements to existing facilities, including without limitation, the installation of solar panels, (ii) the construction of site improvements, (iii) the acquisition of rolling stock and drop boxes, bins, carts and containers, (iv) the acquisition of land, and/or (v) the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste and other equipment functionally related thereto, to be located at one or more of the sites described in Exhibit A thereto and hereto; and

**WHEREAS**, the Company now desires, and has requested the Authority, to amend the Initial Resolution in order to increase the maximum principal amount of such revenue bonds from \$10,165,000 to \$17,570,000 and to extend the expiration date of the Initial Resolution from October 16, 2015 to September 16, 2017; and

**WHEREAS**, the Authority has determined that it is necessary and advisable that the foregoing be approved.

**NOW, THEREFORE, BE IT RESOLVED** by the California Pollution Control Financing Authority, as follows:

**Section 1.** The Authority hereby approves the increase in the maximum principal amount of such revenue bonds to \$17,570,000, and any references in the Initial Resolution to “\$10,165,000” shall be changed to “\$17,570,000”.

**Section 2.** The Authority hereby approves the extension of the effective date of the Initial Resolution of October 16, 2015 to September 16, 2017.

**Section 3.** The Initial Resolution, as amended by this Amendment of Initial Resolution, shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, subject to Section 6 of the original Initial Resolution, it shall cease to be effective on September 16, 2017 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution, as amended by this Amendment of Initial Resolution, which it will do only after receiving a specific request for such

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action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.

**Section 4.** Except as amended by Sections 1, 2 and 3 hereof, all provisions and conditions of the Initial Resolution shall remain unchanged and in full force and effect.

**Section 5.** The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Initial Resolution to the Company and otherwise to effectuate the purposes of this Amendment of Initial Resolution.

**EXHIBIT A**

<b>NUMBER:</b>	12-10
<b>LOCATIONS:</b>	500 East Jamie Court South San Francisco, CA 94080  501 S. Airport Boulevard South San Francisco, CA 94080
<b>TYPE:</b>	Solid Waste Disposal/Recycling
<b>AMOUNT:</b>	Up to \$17,570,000